



PSC NEWS

Missouri Public Service Commission

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SCHEDULED WINTER NATURAL GAS FILING

APPROVED FOR UNITED CITIES GAS COMPANY--HANNIBAL/CANTON DISTRICT

Jefferson City (October 30, 2001)---Hannibal/Canton District natural gas customers of United Cities Gas Company will **see lower natural gas rates** under a scheduled winter season filing approved by the Missouri Public Service Commission. This decrease, which primarily reflects a reduction in the wholesale cost of natural gas, takes effect November 1, 2001. The winter season filing covers the period of November through March.

A residential customer currently pays \$0.7819 per Ccf (100 cubic feet of gas). Under this filing, the rate will drop to \$0.4587 per Ccf, a decrease of approximately 32.3 cents per Ccf. **The effect on a typical residential heating customer for the winter season is a decrease of \$287 or 30 percent when compared to rates currently in effect.**

Approximately 60% to 70% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

The United Cities Gas Company serves approximately 12,150 natural gas customers in its Hannibal/Canton District which includes the Missouri counties of Clark, Lewis, Knox, Marion, Ralls and Scotland.

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